

EXHIBIT 34

Naser

From: Naser
Sent: 5/19/2004 4:20:59 AM
To: flarsen@gabana-ltd.com flarsen@gabana-ltd.com;
Cc: irichard@gabana-ltd.com irichard@gabana-ltd.com ; sanaa@bluesalon.com sanaa@bluesalon.com ;
Bcc:
Subject: Re: Standby LC
Attachments: IMSTP.gif;

Dear Francois:

Thank you for your explanation, I still fail to understand the down payment issue as it was already agreed by GAP in our San Francisco meeting that there will be no down payment.

Our position stay the same, we in favour for 0 downpayment and 125% stand by LC for one season for an average value of the last three orders. Kindly maintain this position with GAP.

Thank for your understanding and support.

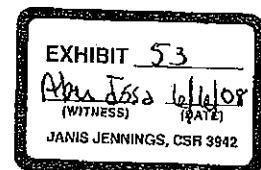
Sincerely,

Naser Beheiry

-----Original Message-----

From: François B. Larsen
Date: 05/18/04 11:53:16
To: Naser
Cc: irichard@gabana-ltd.com
Subject: Standby LC

>
>> Dear Naser,
>
> The meeting we had in SF was a meeting to pave the ground for our
> future collaboration and not a final agreement. We kind of decided on
> the global lines
> When it comes to implementation, one has to take into consideration
> that the "initial down payment" is there to mitigate the risk of
> "order cancellations".
> This risk can not be included in an extra % onto the Standby. The
> Standby LC can only guarantee the risk of the client not paying for an
> executed delivery.
> This is the reason that Gap Inc. is requiring this "initial down
> payment". I just want to make sure that we shall never be liable for
> more than 2 of those at any given time, even if Gap faces delays in
> delivering any given season.
> Furthermore, although the "initial down payment" has the inconvenience
> of being a cash payment, 15% + 85% is still far better than 125%.
> Finally, the standby should be of the size of "season order" but
> calculated on the average of last 3 orders.
> I hope this answers your concerns and look forward to receiving your
> comments,
>



GAB_0051134
RTS00050935

> Francois

>> -----Original Message-----

>> From: Naser [<mailto:naserb@bluesalon.com>]

>> Sent: samedi, 15. mai 2004 11:50

>> To: flarsen@gabana-ltd.com

>> Cc: sanaa@bluesalon.com

>> Subject: Re: Standby LC

>>

>>

>> Francois:

>>

>> It seems I am missing something here, according to our meeting in
>> San Francisco with Jon and Jim, we concluded that:

>>

>> 1. 0 downpayment in advance.

>> 2. A stand by LC to be established for 125% for one season only
>> (approximatley \$625,000).

>> Before talking to Ashraf, I want to know what changed the above
>> agreement.

>>

>> Naser

>>

>> -----Original Message-----

>>

>> From: François B. Larsen

>>

>> Date: 05/15/04 11:56:56

>>

>> To: Naser

>>

>> Cc: irichard@gabana-ltd.com

>>

>> Subject: Standby LC

>>

>>

>> Naser,

>>

>> I am in the mid of negotiating with Gap on the conditions of the
>> Stanby:

>> They want 25% downpayment on each confirmed order as well as 75%
>> standby LC calculatated on the average of the last 3 orders.

>>

>> I am proposing the following :

>>

>> 1) 15% down payment on each confirmed order,

>> 2) No more than two down payments can be outstanding at any time (even
>> if can has delays in delivering a collection)

>> 3) 85% Standby, calculated on the average of 3 last orders

>>

>> Can you pls check with Ashraf an confirm agreement.

>>

>> Francois

>>

>>

>> <image.tiff> IncrediMail - Email has finally evolved - Click Here



IncrediMail - Email has finally evolved - [Click Here](#)